

Pipeline and Hazardous Materials Safety Administration

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 12, 2007

Mr. Joseph Thorndyke Station Manager Santee Cooper Rainey Generating Station P.O.Box 70 2900 Opry House Road Iva, SC 29655 - 8580

CPF 2-2007-1015W

Dear Mr. Thorndyke:

On April 30 thru May 2, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records and pipeline facilities in Iva, South Carolina.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.13 General

(c) Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

Santee Cooper Rainey (SCR) did not conduct a gas leak detection survey using detector equipment on its non odorized gas pipeline twice a year, not exceeding 7-½ month interval as per its procedure, Section 30.102. SCR conducted the gas leak detection survey once each calendar year in accordance with §192.706 but not according to its procedure.

The gas leak surveys were conducted on: 10/26/06, 10/17/05 and 12/11/04.

2. §192.481 (a) Atmospheric corrosion control: Monitoring Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least every three years, but with intervals not exceeding 39 months.

SRC did not keep any records to show that they have monitored atmospheric corrosion as per this section.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Be advised that failure to do so will result in Santee Cooper Rainey being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to CPF 2-2007-1015W. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Linda Daugherty

Director, Southern Region

Pipeline and Hazardous Materials Safety Administration